



Summary  
Consolidated  
**Financial  
Statements**

# Management Report

The preparation of the consolidated financial statements is the responsibility of management, and they have been approved by the Board of Directors. The summary consolidated financial statements are derived from those prepared in accordance with the International Financial Reporting Standards (IFRS). They include certain amounts based on best estimates and judgments that are appropriate to the Company's circumstances.

Internal control systems are in place to ensure the accuracy of financial information and control of operations.

In accordance with the provisions of the Quebec *Insurers Act*, the Board of Directors names the appointed actuary, who is responsible for valuing actuarial liabilities in accordance with the standards of practice of the Canadian Institute of Actuaries.

The independent auditor, appointed by the mutualists of the Company, ensures that the consolidated financial statements have been prepared in accordance with IFRS.

The Board of Directors' Audit and Risk Management Committee, composed of independent directors, ensures that management discharges its responsibility for financial disclosure. This committee is fully empowered to obtain from management any information required to form its opinion.



Christian Mercier, OMM, MSM, CD, MDS  
**Chief Executive Officer**

February 23, 2023

# Appointed Actuary's Report

## To the Mutualists of UV Insurance

I have valued the policy liabilities and reinsurance recoverables of UV Insurance for its consolidated statement of financial position at December 31, 2022, and their changes in the consolidated statement of income for the year then ended in accordance with accepted actuarial practice in Canada, including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations. Furthermore, the consolidated financial statements fairly present the results of the valuation.

The valuation complied with the Quebec *Insurers Act* and the related regulations.



Pierre Parenteau, FSA, FCAS, FCIA, CERA  
**Senior Vice-President & Appointed Actuary**

February 23, 2023

# Independent Auditor's Report

## on the Summary Consolidated Financial Statements

### To the Mutualists of The Union Life Mutual Assurance Company

#### Our opinion

In our opinion, the accompanying summary consolidated financial statements of The Union Life Mutual Assurance Company and its subsidiaries (together, the Company) are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in note 1 to the summary consolidated financial statements.

#### The summary consolidated financial statements

The Company's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2022 comprise:

- ▶ the summary consolidated statement of financial position as at December 31, 2022;
- ▶ the summary consolidated statement of net income for the year then ended;
- ▶ the summary consolidated statement of comprehensive income for the year then ended; and
- ▶ the related note to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

#### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 23, 2023.

#### Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1 to the summary consolidated financial statements.

#### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

*PricewaterhouseCoopers s.r.l./s.e.n.c.r.l.*<sup>1</sup>

Québec, Quebec  
February 23, 2023

<sup>1</sup> CPA Auditor, Public Accountancy Permit No. A124423

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

# Summary Consolidated Financial Statements

## Summary Consolidated Statement of Financial Position

As at December 31, 2022 (in thousands of Canadian dollars)

### Assets

#### Invested assets

	2022	2021
	\$	\$
Bonds	1,193,566	1,552,192
Stocks	216,821	326,152
Private equity	66,226	36,947
Loans	16,272	16,513
Derivative financial instruments	1,419	4,002
Money market securities	-	7,699
Policy loans	8,270	8,349
	<b>1,502,574</b>	<b>1,951,854</b>

#### Other assets

Cash	6,914	4,407
Accrued investment income	10,878	9,559
Accounts receivable and others	20,475	15,423
Current tax assets	253	-
Prepaid expenses	5,132	5,257
Property and equipment	4,839	-
Depreciable intangible assets	17,635	18,837
Deferred tax assets	12,541	14,462
Goodwill	9,865	8,969
Reinsurance assets	348	348
	529,125	724,508
	<b>618,005</b>	<b>801,770</b>
	<b>2,120,579</b>	<b>2,753,624</b>

### Liabilities

#### Insurance liabilities

Actuarial liabilities	1,777,357	2,433,979
Amount on deposit	4,499	5,595
Benefits payable	22,456	18,717
Unearned premiums and other contractual liabilities	2,048	1,019
	<b>1,806,360</b>	<b>2,459,310</b>

#### Other liabilities

Accounts payable and others	15,159	10,791
Defined benefit liabilities	8,069	10,195
Lease obligations	875	1,078
Current income tax liabilities	24	311
Deferred tax liabilities	3,473	2,318
	<b>27,600</b>	<b>24,693</b>
	<b>1,833,960</b>	<b>2,484,003</b>

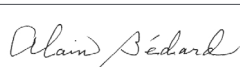
### Mutualists' equity

#### Retained earnings

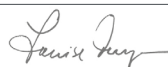
#### Accumulated other comprehensive income

	289,929	267,071
	(3 310)	2,550
	<b>286,619</b>	<b>269,621</b>
	<b>2,120,579</b>	<b>2,753,624</b>

Approved by the Board,



Alain Bédard, Chair



Louise Turgeon, First Vice-Chair



## Summary Consolidated Statement of Net Income

For the year ended December 31, 2022 (in thousands of Canadian dollars)

### Revenues

Gross insurance and annuity premiums  
Ceded premiums, reinsurance  
Net insurance and annuity premiums  
Interest and other investment income  
Change in fair value of investments  
Investment income  
Other

### Expenses

Gross benefits to policyholders and beneficiaries  
Ceded benefits, reinsurance  
Net benefits to policyholders and beneficiaries  
Gross commissions  
Ceded commissions, reinsurance  
Net commissions  
Change in actuarial liabilities  
Change in reinsurance assets  
Premium and investment income taxes  
General expenses  
(Gains) losses on disposal of property, plant and equipment and write-off of goodwill  
Participating policyholders' dividends

### Income before income taxes

#### Income taxes

#### Net income

2022	2021
\$	\$
216,838	208,482
(39,531)	(38,110)
177,307	170,372
37,596	44,590
(454,518)	(8,750)
(416,922)	35,840
1,537	1,605
<b>(238,078)</b>	<b>207,817</b>
164,875	138,921
(32,341)	(32,539)
132,534	106,382
28,140	19,309
(2,268)	(2,425)
25,872	16,884
(656,622)	17,400
195,383	22,832
6,555	6,093
41,871	35,514
1	(157)
70	38
(412,742)	81,720
<b>(254,336)</b>	<b>204,986</b>
<b>16,258</b>	<b>2,831</b>
1,879	(2,503)
<b>14,379</b>	<b>5,334</b>

## Summary Consolidated Statement of Comprehensive Income

For the year ended December 31, 2022 (in thousands of Canadian dollars)

### Net income

### Other comprehensive income

#### Items that may be reclassified subsequently to net income

Change in unrealized gains (losses) on available for-sale securities,  
after (\$4,222) in taxes (\$996 in 2021)  
Reclassification of realized losses (gains) to net income,  
after \$2,109 in taxes ((\$510) in 2021)

#### Items that will not be reclassified subsequently to net income

Actuarial gains (losses), after \$3,057 in taxes (\$2,674 in 2021)

### Comprehensive income

<b>14,379</b>	<b>5,334</b>
(11,711)	2,762
5,851	(1,414)
8,479	7,411
2,619	8,759
<b>16,998</b>	<b>14,093</b>

#### NOTE

#### 1 - Criteria for preparing summary consolidated financial statements

The Union Life Mutual Assurance Company (the "Company") prepared consolidated financial statements as at December 31, 2022, in compliance with International Financial Reporting Standards (IFRS). The Company's Board of Directors authorized publication of the consolidated financial statements on February 23, 2023.

For inclusion in this annual report, the Company opted to draw up summary consolidated financial statements as at December 31, 2022. The summary consolidated financial statements are prepared pursuant to the following criteria:

- The consolidated statements of financial position, net income and comprehensive income are prepared using the same headings as the consolidated financial statements;
- The consolidated statements of cash flow and changes in mutualists' assets as well as the appended notes are not presented.

A copy of the consolidated financial statements can be obtained by contacting the Company's head office.